



State of Utah

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# DWS News Release

For 9:00 a.m. Release

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## UTAH'S EMPLOYMENT SITUATION: January 2007

Utah's number of non-farm wage and salaried jobs for January grew by 4.5 percent over the past year. Growth remains considerably above the state's long-term average of 3.3 percent, showing Utah still remains in a boom economy. However, the growth rate has been trending downward over the past six months. Approximately 52,400 new jobs have been created in the Utah economy over the past year, raising total wage and salary employment in Utah to 1,215,300. Even with the tempering in Utah's employment growth rate, Utah remains one of the best performing economies in the nation. Utah's December employment growth rate was revised down from 4.7 percent to 4.4 percent.

### **Utah Labor Market Indicators January 2007**

**Employment Growth: 4.5%**  
**Employment Increase: 52,400**  
**Unemployment Rate: 2.7%**

### **United States**

**Employment Growth: 1.6%**  
**Unemployment Rate: 4.6%**

Utah's other primary indicator of current labor market conditions, the seasonally adjusted unemployment rate, is estimated at 2.7 percent for January, down 1.4 percentage points from the unemployment rate of 4.1 percent registered a year ago in January, 2006. Approximately 35,300 Utahns were unemployed in January 2007 as compared to 52,700 in January 2006. The United States' unemployment rate registered 4.6 percent in January. (Please note: the yearly revision of unemployment data is currently underway at the U.S. Bureau of Labor Statistics. Therefore, Utah's official January unemployment rate is not scheduled for release until February 27. The current 2.7-percent unemployment rate for January is Workforce Services' estimation of what that January unemployment rate will be when published February 27.)

Mark Knold, chief economist for the Department of Workforce Services commented, "Even though the economy probably doesn't feel any different to the average worker or business, the numbers are showing that the luster is fading somewhat on the Utah economic expansion. The employment growth rate is slowing. Fortunately, it is not slowing because of any negativity coming from the marketplace in terms of less demand for goods and services. Instead, it is an expanding economy that is finding the pool of available new workers growing smaller and smaller. This fully-employed labor force is reflected in the state's recent historically-low unemployment rates in the mid 2-percent range. That represents an extremely restricted pool of available labor. It is at the point where Utah's labor needs are becoming more and more dependent upon the inflow of new workers from outside the state, whether coming from other parts of the United States, or other countries."

Since January 2006, the United States' economy has added 2.1 million new jobs—a growth rate of 1.6 percent. The approximately 54,200 new jobs in Utah represent about 2.6 percent of all the **new** jobs added in the United States over the past year—this from a state that comprises less than 1 percent of **all** United States jobs.

Utah's employment growth remains very diverse, being spread across all industries. Only one industry—information—is showing virtually no employment growth, but that is largely attributed to the closure of America On Line (AOL) in Ogden. AOL's operation was then bought by Teleperformance, and many of AOL's workers were retained, and new workers hired. In this case, jobs will be lost in the information sector (AOL), but new jobs will show up in the professional and business sector (Teleperformance). As a result, there are employment changes within these industries, but overall, little to no net employment change at all from this transfer.

Construction continues as the state's strongest industry with the addition of 13,500 new jobs over the past year. We do anticipate that construction will probably remain the strongest industry again this year, but the number of new jobs added will moderate somewhat. New home permit approvals are running below last year's record levels, so as a result, construction employment demand will moderate a bit. Non-residential construction is still going strong in Utah, but residential construction is more labor-intensive than non-residential construction, and thus the anticipated moderate slowing in growth.

With such an extremely low unemployment rate as Utah is experiencing, workers become a precious commodity to business. Since labor is highly mobile and people's natural tendency is to look toward increased wages, turnover activity in the marketplace increases noticeably in this environment. Employers find they need to increase wages to either retain existing workers, or to attract new workers. This wage bidding becomes more pronounced in a high-growth, low-unemployment economy such as Utah's. Therefore, wage increases for 2006 are projected to be the highest in 15 years, with overall wage gains of 5.4 percent.

Not all businesses are finding workers in short supply. Those that pay high wages still find an abundance of available workers to fill their new or vacant jobs. After all, even employed people are looking for opportunities to move up the wage ladder. That's not to say that all high-wage businesses are finding abundant workers. Skills shortages may actually be occurring in some high-wage areas, like engineering or some of the technical trades. If the wages are abundant but not enough skilled workers are available, then a true labor shortage exists.

It is the businesses that hire workers at the lower end of the wage ladder that have the most trouble finding workers in this current environment. Oftentimes, though, what we call a labor shortage is in reality a wage shortage. The skills needed for many jobs are minimal, and most of the workforce could do those jobs. But too often the cost structure of the businesses with these types of jobs is such that they cannot offer highly attractive wages. And, with large portions of the labor force moving on to higher-paying jobs in this booming economy, many businesses find themselves looking around for those who are willing to work at their offered wages. In many cases, businesses come up short.

But whether we call it a labor shortage or a wage shortage, the bottom line is it has a restricting affect upon economic growth. Some of the industry groups that are vulnerable to labor shortages include the leisure and hospitality industry, temporary help industry, telemarketing, some portions of construction, some portions of healthcare, and even government and education.

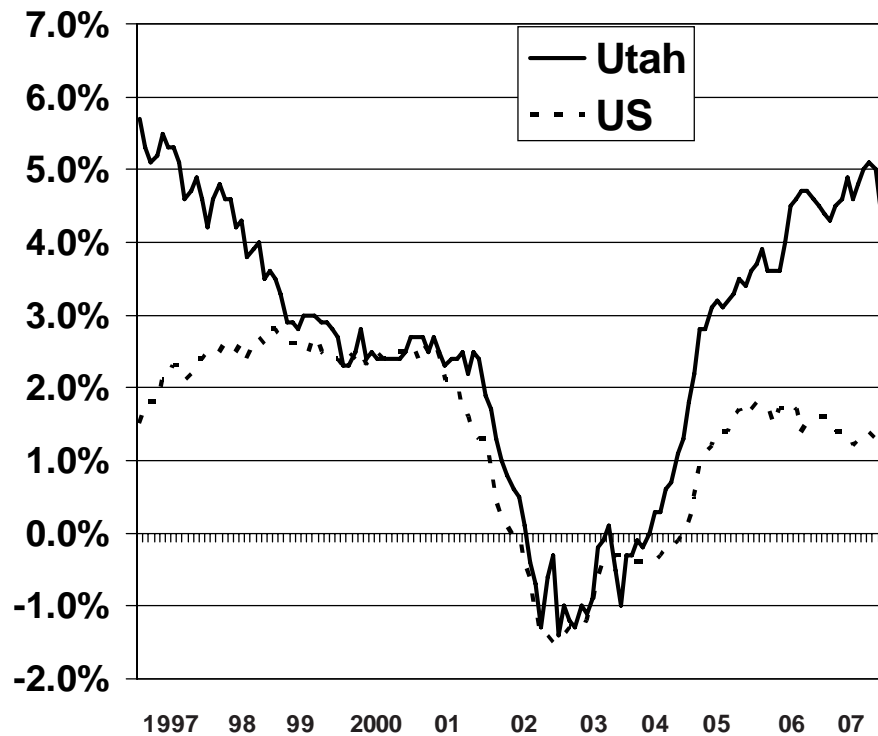
**Utah's February employment numbers will be released at 9:00 a.m. on Tuesday, March 20, 2007.**

## Utah Nonagricultural Jobs by Industry and Components of the Labor Force

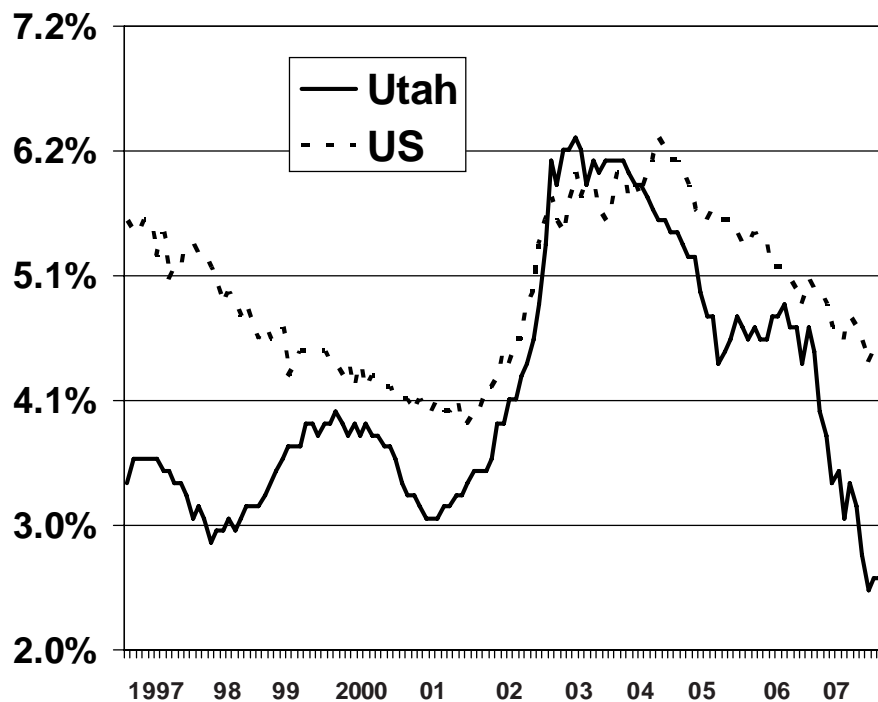
Numbers are in thousands and are not seasonally adjusted.	January(f) 2007	January 2006	Percentage Change	December(r) 2006	December 2005	Percentage Change
<b>CIVILIAN LABOR FORCE</b>	<b>1,322.5</b>	<b>1,276.4</b>	<b>3.6</b>	<b>1,328.8</b>	<b>1,285.5</b>	<b>3.4</b>
Employed	1,290.6	1,223.7	5.5	1,298.9	1,240.5	4.7
Unemployed	31.9	52.7	-39.5	29.9	45.0	-33.6
Unemployment Rate	2.4	4.1		2.3	3.5	
<b>NONAGRICULTURAL EMPLOYMENT (Thousands)</b>	<b>1,215.3</b>	<b>1,163.0</b>	<b>4.5</b>	<b>1,237.7</b>	<b>1,185.2</b>	<b>4.4</b>
<b>GOODS PRODUCING</b>	<b>231.5</b>	<b>212.0</b>	<b>9.2</b>	<b>234.6</b>	<b>213.7</b>	<b>9.8</b>
<b>Natural Resources, and Mining</b>	<b>10.4</b>	<b>9.0</b>	<b>15.4</b>	<b>10.5</b>	<b>9.1</b>	<b>15.8</b>
<b>Construction</b>	<b>96.5</b>	<b>83.0</b>	<b>16.3</b>	<b>99.8</b>	<b>86.1</b>	<b>15.9</b>
Construction of Buildings	21.8	19.1	14.0	22.3	19.6	14.0
Heavy and Civil Engineering	8.7	7.6	13.7	9.3	8.2	
Specialty Trade Contractors	66.1	56.3	17.4	68.2	58.3	16.9
<b>Manufacturing</b>	<b>124.6</b>	<b>120.0</b>	<b>3.8</b>	<b>124.2</b>	<b>118.5</b>	<b>4.8</b>
<b>Durable Goods</b>	<b>84.6</b>	<b>80.7</b>	<b>4.8</b>	<b>83.8</b>	<b>78.7</b>	<b>6.5</b>
Primary and Fabricated Metals	16.2	15.4	5.3	16.1	15.3	5.3
Computer and Electronic Products	11.4	10.9	4.6	11.5	11.1	4.1
Transportation and Equipment Manufacturing	14.6	14.3	1.5	14.6	14.3	1.8
<b>Non-Durable Goods</b>	<b>40.0</b>	<b>39.3</b>	<b>1.8</b>	<b>40.5</b>	<b>39.8</b>	<b>1.6</b>
<b>SERVICES PROVIDING</b>	<b>983.8</b>	<b>950.9</b>	<b>3.5</b>	<b>1,003.1</b>	<b>971.5</b>	<b>3.2</b>
<b>Trade, Transportation, and Utilities</b>	<b>237.2</b>	<b>228.6</b>	<b>3.8</b>	<b>246.1</b>	<b>237.6</b>	<b>3.6</b>
<b>Wholesale Trade</b>	<b>44.7</b>	<b>43.3</b>	<b>3.3</b>	<b>45.7</b>	<b>44.4</b>	<b>2.9</b>
<b>Retail Trade</b>	<b>142.5</b>	<b>137.0</b>	<b>4.0</b>	<b>149.5</b>	<b>144.0</b>	<b>3.8</b>
Motor Vehicle and Parts Dealers	17.4	16.9	3.1	17.6	17.1	2.9
Food and Beverage Stores	23.2	22.5	3.1	24.0	23.4	2.3
General Merchandise Stores	27.4	27.2	0.9	29.7	29.4	1.0
<b>Transportation and Utilities</b>	<b>50.0</b>	<b>48.3</b>	<b>3.4</b>	<b>50.9</b>	<b>49.2</b>	<b>3.4</b>
Utilities	4.0	4.0	1.7	4.1	4.0	1.6
Transportation & Warehousing	45.9	44.3	3.6	46.8	45.2	3.5
Air Transportation	6.6	6.7	-1.2	6.7	6.7	-1.2
Truck Transportation	18.6	17.7	5.0	19.0	18.1	5.3
<b>Information</b>	<b>31.8</b>	<b>31.7</b>	<b>0.4</b>	<b>32.6</b>	<b>32.5</b>	<b>0.5</b>
Publishing Industries	9.5	9.4	0.5	9.3	9.1	1.3
Motion Picture and Sound Recording	4.1	3.8	8.7	4.3	4.6	-6.1
Telecommunications	6.5	5.7	14.3	6.6	5.8	13.8
Internet Service Providers	7.4	8.1	-8.5	7.6	8.3	-8.0
<b>Financial Activities</b>	<b>72.8</b>	<b>69.2</b>	<b>5.2</b>	<b>73.9</b>	<b>70.4</b>	<b>5.1</b>
Finance and Insurance	54.7	52.2	4.6	55.4	53.0	4.5
Real Estate and Rental and Leasing	18.1	17.0	6.8	18.5	17.4	6.7
<b>Professional and Business Services</b>	<b>155.3</b>	<b>147.1</b>	<b>5.6</b>	<b>159.7</b>	<b>153.1</b>	<b>4.3</b>
Professional, Scientific, and Technical Services	63.5	57.7	10.1	64.1	58.3	9.8
Architectural, Engineering, and Related	11.9	10.8	10.4	12.2	11.1	10.0
Computer Systems Design and Related	13.6	12.7	7.1	14.1	13.4	5.6
Management of Companies and Enterprises	18.9	18.9	-0.1	19.6	21.2	-7.6
Administration & Support						
& Waste Management & Remediation	73.0	70.5	3.4	76.1	73.6	3.3
Employment Services	24.2	23.7	2.1	26.5	26.0	2.0
Business Support Services	17.7	17.6	0.1	17.3	17.2	0.3
<b>Education and Health Services</b>	<b>137.7</b>	<b>132.6</b>	<b>3.9</b>	<b>138.9</b>	<b>133.3</b>	<b>4.2</b>
Educational Services	32.3	30.9	4.5	32.6	31.0	5.1
Health Services and Social Assistance	105.5	101.7	3.7	106.3	102.3	4.0
Ambulatory Health Care Services	41.8	39.9	4.6	42.5	39.0	8.8
Hospitals	29.1	28.3	3.0	29.2	29.6	-1.4
Nursing and Residential Care Facilities	19.6	19.0	3.2	19.6	18.9	3.2
Social Assistance	15.0	14.5	3.0	15.2	14.7	3.0
<b>Leisure and Hospitality</b>	<b>108.4</b>	<b>104.5</b>	<b>3.7</b>	<b>109.4</b>	<b>105.6</b>	<b>3.6</b>
Arts, Entertainment, and Recreation	18.1	16.9	7.0	18.5	17.3	6.6
Accommodation and Food Services	90.3	87.6	3.1	91.0	88.3	3.0
Accommodation	17.4	16.8	3.7	17.3	16.7	3.6
Food Services and Drinking Places	72.9	70.8	2.9	73.7	71.6	2.9
<b>Other Services</b>	<b>34.4</b>	<b>33.2</b>	<b>3.6</b>	<b>34.7</b>	<b>33.5</b>	<b>3.6</b>
<b>Government</b>	<b>206.2</b>	<b>204.1</b>	<b>1.0</b>	<b>207.7</b>	<b>205.5</b>	<b>1.0</b>
<b>Federal Government</b>	<b>35.0</b>	<b>34.8</b>	<b>0.6</b>	<b>34.9</b>	<b>34.7</b>	<b>0.6</b>
Federal Defense	16.3	16.3	0.1	16.5	16.5	0.1
Other Federal Government	18.6	18.4	1.0	18.5	18.3	1.0
<b>State Government</b>	<b>63.6</b>	<b>62.9</b>	<b>1.1</b>	<b>64.4</b>	<b>63.7</b>	<b>1.1</b>
State Schools	35.8	35.3	1.3	36.2	35.7	1.3
Other State Government	27.8	27.6	0.9	28.3	28.0	0.9
<b>Local Government</b>	<b>107.6</b>	<b>106.3</b>	<b>1.1</b>	<b>108.3</b>	<b>107.1</b>	<b>1.1</b>
Local Education	63.5	62.9	0.9	63.8	63.2	0.9
Other Local Government	44.1	43.4	1.5	44.5	43.9	1.5

Source: Utah Department of Workforce Services f = forecast r = revised February 13, 2007

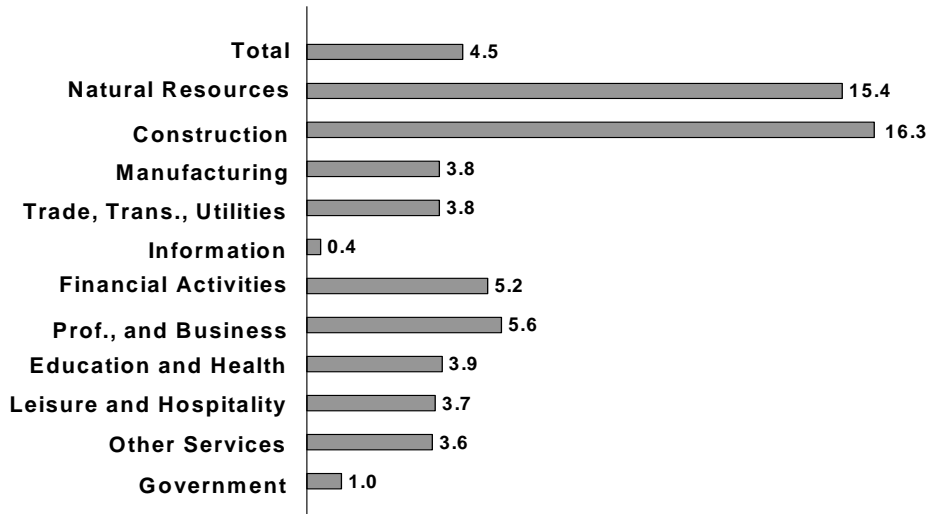
## Year-Over Percent Change in Nonfarm Jobs



## Seasonally Adjusted Unemployment Rates

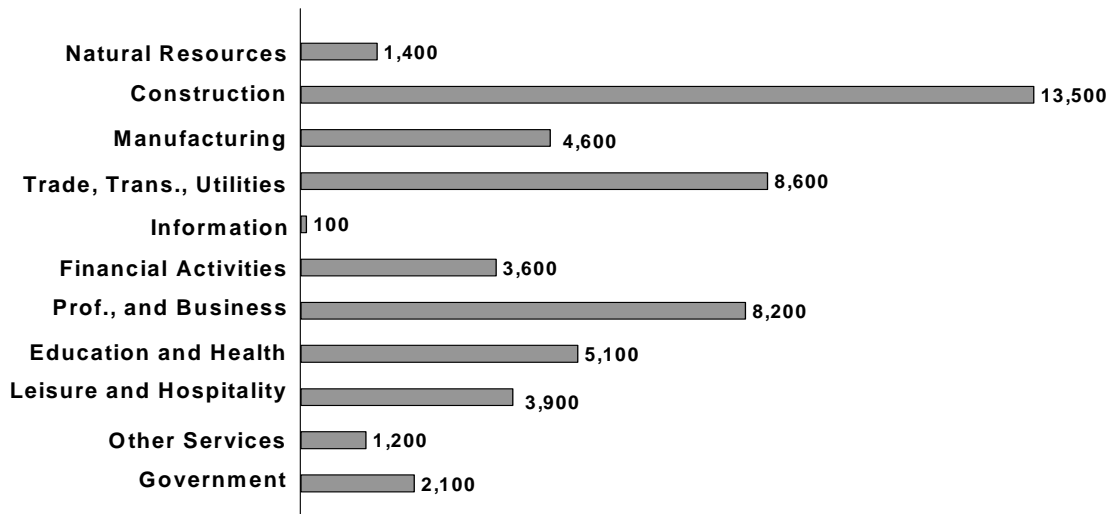


## Utah Nonfarm Job Growth (Percent Change) January 2006 – 2007



Source: Utah Department of Workforce Services

## Utah Nonfarm Job Growth (Numeric Change) January 2006 – 2007



Source: Utah Department of Workforce Services

## NONFARM EMPLOYMENT IN UTAH'S COUNTIES

	Jan. 2007(f)	Jan. 2006	Percent Change	Dec. 2006(r)	Nov. 2006(r)
<b>State Total</b>	1,215,304	1,162,844	4.5	1,237,658	1,230,981
<b>Bear River</b>	68,204	66,608	2.4	69,885	69,785
Box Elder	18,996	18,824	0.9	19,416	19,406
Cache	48,600	47,218	2.9	49,885	49,772
Rich	608	566	7.4	584	607
<b>Wasatch Front</b>	794,456	762,733	4.2	810,951	806,495
<b>North</b>	194,342	188,157	3.3	197,686	197,687
Davis	99,870	95,949	4.1	102,013	102,306
Morgan	1,824	1,830	-0.3	1,819	1,835
Weber	92,648	90,378	2.5	93,854	93,545
<b>South</b>	600,114	574,576	4.4	613,265	608,808
Salt Lake	585,519	560,443	4.5	598,506	594,024
Tooele	14,595	14,133	3.3	14,759	14,785
<b>Mountainland</b>	210,749	200,513	5.1	213,332	210,173
Summit	23,412	22,862	2.4	22,520	19,492
Utah	180,487	171,719	5.1	183,871	183,754
Wasatch	6,850	5,932	15.5	6,941	6,928
<b>Central</b>	23,607	22,693	4.0	23,846	24,022
Juab	3,592	3,136	14.5	3,449	3,496
Millard	3,929	3,827	2.7	3,956	3,955
Piute	337	311	8.4	324	347
Sanpete	7,111	7,069	0.6	7,291	7,301
Sevier	7,735	7,464	3.6	7,898	7,940
Wayne	903	886	2.0	928	983
<b>Southwestern</b>	76,555	71,554	7.0	77,407	77,554
Beaver	1,936	1,855	4.3	2,008	1,992
Garfield	1,746	1,773	-1.5	1,759	1,971
Iron	17,379	16,271	6.8	17,546	17,652
Kane	2,683	2,582	3.9	2,790	2,921
Washington	52,811	49,073	7.6	53,304	53,018
<b>Uintah Basin</b>	21,097	18,780	12.3	20,856	20,956
Daggett	366	382	-4.3	390	425
Duchesne	6,867	6,003	14.4	6,800	6,863
Uintah	13,864	12,395	11.9	13,666	13,668
<b>Southeastern</b>	20,636	19,963	3.4	21,382	21,995
Carbon	9,429	9,013	4.6	9,602	9,765
Emery	3,796	3,729	1.8	3,851	3,938
Grand	3,485	3,445	1.2	3,977	4,236
San Juan	3,926	3,776	4.0	3,951	4,056

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 2/13/07